

Lesson 3: Filing Basics

Must Vanessa file a return?

To determine if a taxpayer has a filing requirement, you need their age, possible filing status(es), and gross income.

Vanessa's Age and Marital Status

Start by reviewing Parts I and II of her Form 13614-C.

- Proof of identity (such as a valid drivers license or other government issued photo ID).

Part I. Your Personal Information

1. Your First Name Vanessa	M. I. L.	Last Name Franklin	Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
2. Spouse's First Name Harvey	M. I. M.	Last Name Franklin	Is spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
3. Mailing Address 3344 Cleveland Drive	Apt# 4	City Denver	State CO	Zip Code 80202
4. Contact Information Phone: 303-555-5555 Cell Phone: n/a E-mail: n/a				
5. Your Date of Birth 11/12/1972	6. Your Job Title Retail Sales	Are you: 7. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		8. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9. Spouse's Date of Birth 07/14/1969	10. Spouse's Job Title Cook	Is Spouse: 11. Legally Blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		12. Totally and Permanently Disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
13. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				

Part II. Marital Status and Household Information

1. As of December 31, 2011, were you?

☐ Single

☒ Married: Did you live with your spouse during any part of the last six months of 2011? ☐ Yes ☒ No

☐ Divorced or Legally Separated: Date of final decree or separate maintenance agreement: _____

☐ Widowed: Year of spouse's death: _____

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here ☐ and list on page 3.

Name (first, last) Do not enter your name or spouse's name below.	Date of Birth (mm/dd/yy)	Relationship to you (e.g. daughter, son, mother, sister, none)	Number of months lived in your home in 2011	US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)	Marital Status as of 12/31/11 (S/M)	Full-time student in 2011 (yes/no)	Received less than \$3700 income in 2011 (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Bella Franklin	04/20/11	daughter	12	yes	s	no	yes
Zachary Franklin	09/07/00	son	12	yes	s	yes	yes
Zoe Franklin	12/12/06	daughter	12	yes	s	no	yes
Annabelle Johnson	11/15/36	mother	12	yes	s	no	yes

Vanessa's possible filing statuses

On her Form 13614-C, Vanessa indicated that she is married but has not lived with her spouse during any part of the last six months. Using your interview skills and Publication 4012, you will need to verify that Vanessa has identified her correct marital status.

Vanessa's Family and Dependent Information

To also assist in determining Vanessa's possible filing statuses, you need to take a look at her family and dependent information. She has indicated four potential dependents in Part II of her Form 13614-C.

You decide to ask some questions to confirm and clarify her information.

Sample interview clarifying marital status and dependents

SAMPLE INTERVIEW

VOLUNTEER SAYS...

I've reviewed your Form 13614-C. I want to make sure that you need to file a return based on your filing status, age, and income. So let me verify a few things. You were born on November 12, 1972, correct?

Okay, that makes you 39. I see that you checked "Married" but answered "No" to living with your spouse during the past six months.

But you were still married on December 31st of last year, correct?

Do you and your husband plan to file jointly?

And you have three children you may be claiming as dependents, and possibly your mother as a fourth dependent?

Based on this initial information, there are three filing statuses you may qualify for: Married Filing Separately, Head of Household, or Married Filing Jointly, although you expressed that you don't want to use the Married Filing Jointly status.

VANESSA RESPONDS...

Yes.

Yes, Harvey moved out in February 2011.

Yes, that's right.

I think I want to file Married Filing Separately, but I'm not sure.

Yes, that's right.

I'd rather not if I don't have to.

What are Vanessa's most likely filing statuses?

Vanessa may qualify for Married Filing Separately, Head of Household, or Married Filing Jointly.

Vanessa's Gross Income


The next step is to make sure her gross income for the tax year is more than the gross income limit. Review Publication 4012 (Tab A), Who Must File?

Remember, at this point, we're determining if Vanessa has a filing requirement so we will do a general review of her income documentation.

Vanessa's Form W-2

Briefly review Vanessa's Form W-2 and Part III of her Form 13614-C to determine her income for the tax year. Vanessa's W-2 indicates she has wages of \$31,000.

On her Form 13614-C, Vanessa also indicated that she had self-employment income. You confirm this and any other income sources. Refer to the Income section of Publication 4012 (Tab D) for other income sources you should consider.

a Employee's social security number 111-11-5555		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 39-9999999		1 Wages, tips, other compensation \$31,000.12		2 Federal income tax withheld \$1,239.99	
c Employer's name, address, and ZIP code Bob's Department Store PO Box 456 Denver, CO 80204		3 Social security wages \$32,000.12		4 Social security tax withheld \$1,344.00	
		5 Medicare wages and tips \$32,000.12		6 Medicare tax withheld \$464.00	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12 D \$1,000.00	
Vanessa L. Franklin 3344 Cleveland Drive Denver, CO 80202		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	

Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

Part III. Income – In 2011, did you (or your spouse) receive:

Yes	No	Unsure	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Wages or Salary? (Form W-2) <i>Wages \$31,000</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	6. Alimony Income?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. Disability Income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. Unemployment Compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. Income (or loss) from Rental Property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify: _____ (Forms W-2 G, 1099-MISC)

Sample interview probing for other income

SAMPLE INTERVIEW	
VOLUNTEER SAYS...	VANESSA RESPONDS...
<i>Your Form W-2 shows \$31,000 as your wages for the tax year. Tell me about your self-employment income.</i>	I sell cosmetics on the side. I schedule makeup workshops in people's homes in the evenings and on weekends.
<i>How much did you earn doing that?</i>	Not much at all, after I paid my expenses, it was about \$2,400.
<i>Okay. That is close enough for what we are doing now, but we will need the exact amount later. I see that you checked "Unsure" for Alimony Income.</i>	Yes. Once in a while, my husband sends me money for the kids, but I wasn't sure if I was required to report it. Is it taxable?
<i>No. The money your husband sends you for your children is considered child support, not alimony, and is not taxable. So I'm going to change your "Unsure" answer to "No" for Alimony Income.</i>	Great, thank you.
<i>Okay, any other sources of income, for example, bonuses at your job, or any interest reported on a Form 1099?</i>	No, just the wages and business income.
<i>Okay, so your gross income is about \$33,400 based on your W-2 and income from your business.</i>	

Be sure to make notes and corrections on Vanessa's Form 13614-C to capture what she has told you; for example, change the "Unsure" response on the question about Alimony Income to "No" since you have determined that it is child support.

Chart A – For Most People Who File

Review Publication 4012 (Tab A), Chart A – For Most People Who Must File. Find Vanessa's likely filing status(es), age, and income on the chart.

We have now determined Vanessa's age, her possible filing statuses, and have reviewed her preliminary income information. Because she is under 65 years old and her gross income on her Form W-2 exceeds the income limits listed for each of her possible filing statuses, we know that Vanessa has a filing requirement.

Verify Vanessa's Identity

You now need to verify Vanessa's identity. She presents you with her driver's license and the social security cards for all the individuals listed on her Form 13614-C.



Sample interview to verify identity

SAMPLE INTERVIEW

VOLUNTEER SAYS...

By the way, thanks for taking the time to complete Form 13614-C. It looks like we can assist you with your return. I need proof of your identity and your social security card, as well as social security cards for your children and your mother.

Thanks, I'll just confirm your entries. First, is all the information on your driver's license current and correct? We want to make sure you receive all your tax benefits and that your return is processed smoothly.

Okay. Then, let's continue reviewing Form 13614-C.

VANESSA RESPONDS...

No problem! Here's my driver's license. I wrote everyone's name on the intake sheet, just as they appear on the cards.

Yes, I haven't moved since getting that license.

Sounds good.

You have now completed these filing basics:

- Determining if there is a filing requirement
- Verifying the identity of the taxpayer and confirming her social security number



Return to lesson 3.



The name(s) and number(s) on the taxpayer's return must match the information on the social security card(s). If they do not, the return processing will be delayed.